

- (b) if so, the details thereof and status of above as on today, category-wise;
- (c) whether Centurin Bank was in loss during the years, 2002-2004;
- (d) if so, the rationale for considering the above merger; and
- (e) the rationale behind the non-participation of Reserve Bank of India from the critical decision-making process in the merger deal?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):** (a), (b), (d) and (e) Yes, Sir. The Lord Krishna Bank Ltd. (LKBL), proposed to merge on voluntary basis with Centurin Bank of Punjab Ltd. (CBOPL), in terms of the provisions of Section 44A of the Banking Regulation Act, 1949. The proposal for voluntary merger approved by their Boards and shareholders was submitted to RBI for approval in October, 2006. RBI's decision in this regard has been kept in abeyance pending a decision by the High Court of Kerala in a case filed by a shareholder of Lord Krishna Bank Ltd. challenging, *inter-alia*, the proceedings of the Annual General Meeting of Lord Krishna Bank Ltd. which approved the draft scheme of amalgamation.

(c) As per the published Balance Sheets of the Centurin Bank, it had declared net losses of Rs. 94.01 crore, Rs. 25.36 crore and Rs. 105.14 crore for the years ending 31st March, 2002, 2003 and 2004 respectively.

#### **External debt**

**2149. DR. K. MALAISAMY:** Will the Minister of FINANCE be pleased to state:

- (a) what is the quantum of external debt as on fiscal ending October, 2006;
- (b) what is the quantum jump from the previous quarter;
- (c) how the Indian Millennium Deposits by SBI have helped to reduce the debt; and
- (d) what is the percentage of the GDP, whether there is any plan and preparation to tackle the deficit further getting increased?

[12 December, 2006]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) According to the latest available information, India's total external debt amounted to US\$ 132.13 billion as at end of June 2006.

(b) The external debt increased by US\$ 6.95 billion during the quarter ending June 2006.

(c) The redemption payments of India Millennium Deposits led to a reduction in the level of total external debt from US \$124.15 billion at end-September 2005 to US\$ 119.19 billion at end December 2005.

(d) Total external debt as a percentage of GDP was 15.8 in 2005-06. Prudent external debt management policies are pursued by the Government to maintain external debt within manageable limits. These include emphasis on raising funds on concessional terms and from less expensive sources with longer maturities, monitoring of short-term debt, prepaying high cost loans, rationalizing interest rates on NRI deposits, restricting end-use of external commercial borrowings, limiting trade credits and encouraging non-debt creating capital flows.

#### **Loans given to priority sector**

†2150. SHRI RAVI SHANKAR PRASAD:  
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the loans given by Government and non-Government Banks to the priority sector in the year 2005-06 is 40.3 per cent and 42.8 per cent respectively of the total given loan;

(b) if so, the details thereof;

(c) whether it is a fact that less loan has been given to agriculture and small scale industry sector as per the directions of the Reserve Bank of India;

(d) if so, what is the respective percentage of this loan; and

(e) the details of the sectors to whom the balance loan has been

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<sup>†</sup>Original notice of the question was received in Hindi.